

FISCAL NOTE

HB 1078 - SB 1258

March 29, 2007

SUMMARY OF BILL: Authorizes health care providers to enter into joint negotiations with health insurance companies when the insurer has substantial market power. The Department of Commerce and Insurance is to calculate the covered lives of insurers in order to measure market power. The Attorney General is to approve such negotiations if the pro-competitive benefits to jointly negotiate outweigh any anti-competitive effects and the insurer has substantial market power.

ESTIMATED FISCAL IMPACT:

**Increase State Expenditures – \$472,000 Recurring
\$35,000 One-Time**

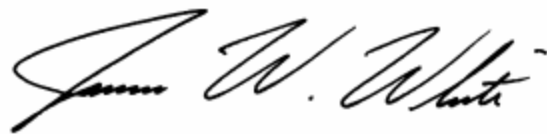
Other Fiscal Impact – There is no direct impact on health care costs to state and local government employee health plans. However, to the extent that joint bargaining by health care providers increased prices and health insurers passed on such costs to all health plans, total expenditures for state and local health care plans would increase significantly.

Assumptions:

- Four positions and related operational expenses in the Office of the Attorney General to administer the provisions of this bill.
- Two positions and related operational expenses in the Department of Commerce and Insurance to gather and analyze the statistical information required to implement the provisions of this bill.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "James W. White".

James W. White, Executive Director